

SECURE AND FAIR ENFORCEMENT BANKING ACT OF 2021

Mr. PERLMUTTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1996) to create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; PURPOSE.

(a) **SHORT TITLE.**—This Act may be cited as the “Secure And Fair Enforcement Banking Act of 2021” or the “SAFE Banking Act of 2021”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents; purpose.
- Sec. 2. Safe harbor for depository institutions.
- Sec. 3. Protections for ancillary businesses.
- Sec. 4. Protections under Federal law.
- Sec. 5. Rules of construction.
- Sec. 6. Requirements for filing suspicious activity reports.
- Sec. 7. Guidance and examination procedures.
- Sec. 8. Annual diversity and inclusion report.
- Sec. 9. GAO study on diversity and inclusion.
- Sec. 10. GAO study on effectiveness of certain reports on finding certain persons.
- Sec. 11. Application of this Act with respect to hemp-related legitimate businesses and hemp-related service providers.
- Sec. 12. Banking services for hemp-related legitimate businesses and hemp-related service providers.
- Sec. 13. Requirements for deposit account termination requests and orders.
- Sec. 14. Definitions.
- Sec. 15. Discretionary surplus funds.

(c) **PURPOSE.**—The purpose of this Act is to increase public safety by ensuring access to financial services to cannabis-related legitimate businesses and service providers and reducing the amount of cash at such businesses.

SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.

(a) **IN GENERAL.**—A Federal banking regulator may not—

(1) terminate or limit the deposit insurance or share insurance of a depository institution under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), the Federal Credit Union Act (12 U.S.C. 1751 et seq.), or take any other adverse action against a depository institution under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) solely because the depository institution provides or has provided financial services to a cannabis-related legitimate business or service provider;

(2) prohibit, penalize, or otherwise discourage a depository institution from providing financial services to a cannabis-related legitimate business or service provider or to a State, political subdivision of a State, or Indian Tribe that exercises jurisdiction over cannabis-related legitimate businesses;

(3) recommend, incentivize, or encourage a depository institution not to offer financial

services to an account holder, or to downgrade or cancel the financial services offered to an account holder solely because—

(A) the account holder is a cannabis-related legitimate business or service provider, or is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(B) the account holder later becomes an employee, owner, or operator of a cannabis-related legitimate business or service provider; or

(C) the depository institution was not aware that the account holder is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(4) take any adverse or corrective supervisory action on a loan made to—

(A) a cannabis-related legitimate business or service provider, solely because the business is a cannabis-related legitimate business or service provider;

(B) an employee, owner, or operator of a cannabis-related legitimate business or service provider, solely because the employee, owner, or operator is employed by, owns, or operates a cannabis-related legitimate business or service provider, as applicable; or

(C) an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business or service provider, solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business or service provider, as applicable; or

(5) prohibit or penalize a depository institution (or entity performing a financial service for or in association with a depository institution) for, or otherwise discourage a depository institution (or entity performing a financial service for or in association with a depository institution) from, engaging in a financial service for a cannabis-related legitimate business or service provider.

(b) **SAFE HARBOR APPLICABLE TO DE NOVO INSTITUTIONS.**—Subsection (a) shall apply to an institution applying for a depository institution charter to the same extent as such subsection applies to a depository institution.

SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.

For the purposes of sections 1956 and 1957 of title 18, United States Code, and all other provisions of Federal law, the proceeds from a transaction involving activities of a cannabis-related legitimate business or service provider shall not be considered proceeds from an unlawful activity solely because—

(1) the transaction involves proceeds from a cannabis-related legitimate business or service provider; or

(2) the transaction involves proceeds from—

(A) cannabis-related activities described in section 14(4)(B) conducted by a cannabis-related legitimate business; or

(B) activities described in section 14(13)(A) conducted by a service provider.

SEC. 4. PROTECTIONS UNDER FEDERAL LAW.

(a) **IN GENERAL.**—With respect to providing a financial service to a cannabis-related legitimate business (where such cannabis-related legitimate business operates within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable) or a service provider (wherever located), a depository institution, entity performing a financial service for or in association with a depository institution, or insurer that provides

a financial service to a cannabis-related legitimate business or service provider, and the officers, directors, and employees of that depository institution, entity, or insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a financial service; or

(2) for further investing any income derived from such a financial service.

(b) **PROTECTIONS FOR FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—With respect to providing a service to a depository institution that provides a financial service to a cannabis-related legitimate business (where such cannabis-related legitimate business operates within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable) or service provider (wherever located), a Federal reserve bank or Federal Home Loan Bank, and the officers, directors, and employees of the Federal reserve bank or Federal Home Loan Bank, may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a service; or

(2) for further investing any income derived from such a service.

(c) **PROTECTIONS FOR INSURERS.**—With respect to engaging in the business of insurance within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable, an insurer that engages in the business of insurance with a cannabis-related legitimate business or service provider or who otherwise engages with a person in a transaction permissible under State law related to cannabis, and the officers, directors, and employees of that insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for engaging in the business of insurance; or

(2) for further investing any income derived from the business of insurance.

(d) **FORFEITURE.**—

(1) **DEPOSITORY INSTITUTIONS.**—A depository institution that has a legal interest in the collateral for a loan or another financial service provided to an owner, employee, or operator of a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

(2) **FEDERAL RESERVE BANKS AND FEDERAL HOME LOAN BANKS.**—A Federal reserve bank or Federal Home Loan Bank that has a legal interest in the collateral for a loan or another financial service provided to a depository institution that provides a financial service to a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

SEC. 5. RULES OF CONSTRUCTION.

(a) **NO REQUIREMENT TO PROVIDE FINANCIAL SERVICES.**—Nothing in this Act shall require

a depository institution, entity performing a financial service for or in association with a depository institution, or insurer to provide financial services to a cannabis-related legitimate business, service provider, or any other business.

(b) **GENERAL EXAMINATION, SUPERVISORY, AND ENFORCEMENT AUTHORITY.**—Nothing in this Act may be construed in any way as limiting or otherwise restricting the general examination, supervisory, and enforcement authority of the Federal banking regulators, provided that the basis for any supervisory or enforcement action is not the provision of financial services to a cannabis-related legitimate business or service provider.

(c) **BUSINESS OF INSURANCE.**—Nothing in this Act shall interfere with the regulation of the business of insurance in accordance with the Act of March 9, 1945 (59 Stat. 33, chapter 20; 15 U.S.C. 1011 et seq.) (commonly known as the “McCarran-Ferguson Act”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.).

SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY REPORTS.

Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

“(5) **REQUIREMENTS FOR CANNABIS-RELATED LEGITIMATE BUSINESSES.**—

“(A) **IN GENERAL.**—With respect to a financial institution or any director, officer, employee, or agent of a financial institution that reports a suspicious transaction pursuant to this subsection, if the reason for the report relates to a cannabis-related legitimate business or service provider, the report shall comply with appropriate guidance issued by the Financial Crimes Enforcement Network. Not later than the end of the 180-day period beginning on the date of enactment of this paragraph, the Secretary shall update the February 14, 2014, guidance titled ‘BSA Expectations Regarding Marijuana-Related Businesses’ (FIN-2014-G001) to ensure that the guidance is consistent with the purpose and intent of the SAFE Banking Act of 2021 and does not significantly inhibit the provision of financial services to a cannabis-related legitimate business or service provider in a State, political subdivision of a State, or Indian country that has allowed the cultivation, production, manufacture, transportation, display, dispensing, distribution, sale, or purchase of cannabis pursuant to law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country.

“(B) **DEFINITIONS.**—For purposes of this paragraph:

“(i) **CANNABIS.**—The term ‘cannabis’ has the meaning given the term ‘marihuana’ in section 102 of the Controlled Substances Act (21 U.S.C. 802).

“(ii) **CANNABIS-RELATED LEGITIMATE BUSINESS.**—The term ‘cannabis-related legitimate business’ has the meaning given that term in section 14 of the SAFE Banking Act of 2021.

“(iii) **INDIAN COUNTRY.**—The term ‘Indian country’ has the meaning given that term in section 1151 of title 18.

“(iv) **INDIAN TRIBE.**—The term ‘Indian Tribe’ has the meaning given that term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

“(v) **FINANCIAL SERVICE.**—The term ‘financial service’ has the meaning given that term in section 14 of the SAFE Banking Act of 2021.

“(vi) **SERVICE PROVIDER.**—The term ‘service provider’ has the meaning given that term in section 14 of the SAFE Banking Act of 2021.

“(vii) **STATE.**—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico,

and any territory or possession of the United States.”.

SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.

Not later than 180 days after the date of enactment of this Act, the Financial Institutions Examination Council shall develop uniform guidance and examination procedures for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers.

SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.

The Federal banking regulators shall issue an annual report to Congress containing—

(1) information and data on the availability of access to financial services for minority-owned and women-owned cannabis-related legitimate businesses; and

(2) any regulatory or legislative recommendations for expanding access to financial services for minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.

(a) **STUDY.**—The Comptroller General of the United States shall carry out a study on the barriers to marketplace entry, including in the licensing process, and the access to financial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

(b) **REPORT.**—The Comptroller General shall issue a report to the Congress—

(1) containing all findings and determinations made in carrying out the study required under subsection (a); and

(2) containing any regulatory or legislative recommendations for removing barriers to marketplace entry, including in the licensing process, and expanding access to financial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN REPORTS ON FINDING CERTAIN PERSONS.

Not later than 2 years after the date of the enactment of this Act, the Comptroller General of the United States shall carry out a study on the effectiveness of reports on suspicious transactions filed pursuant to section 5318(g) of title 31, United States Code, at finding individuals or organizations suspected or known to be engaged with transnational criminal organizations and whether any such engagement exists in a State, political subdivision, or Indian Tribe that has jurisdiction over Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis. The study shall examine reports on suspicious transactions as follows:

(1) During the period of 2014 until the date of the enactment of this Act, reports relating to marijuana-related businesses.

(2) During the 1-year period after date of the enactment of this Act, reports relating to cannabis-related legitimate businesses.

SEC. 11. APPLICATION OF THIS ACT WITH RESPECT TO HEMP-RELATED LEGITIMATE BUSINESSES AND HEMP-RELATED SERVICE PROVIDERS.

(a) **IN GENERAL.**—The provisions of this Act (other than sections 6 and 10) shall apply with respect to hemp-related legitimate businesses and hemp-related service providers in the same manner as such provisions apply with respect to cannabis-related legitimate businesses and service providers.

(b) **DEFINITIONS.**—In this section:

(1) **CBD.**—The term “CBD” means cannabidiol.

(2) **HEMP.**—The term “hemp” has the meaning given that term under section 297A

of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o).

(3) **HEMP-RELATED LEGITIMATE BUSINESS.**—The term “hemp-related legitimate business” means a manufacturer, producer, or any person or company that—

(A) engages in any activity described in subparagraph (B) in conformity with the Agricultural Improvement Act of 2018 (Public Law 115-334) and the regulations issued to implement such Act by the Department of Agriculture, where applicable, and the law of a State or political subdivision thereof or Indian Tribe; and

(B) participates in any business or organized activity that involves handling hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products, including cultivating, producing, extracting, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products.

(4) **HEMP-RELATED SERVICE PROVIDER.**—The term “hemp-related service provider”—

(A) means a business, organization, or other person that—

(i) sells goods or services to a hemp-related legitimate business; or

(ii) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to hemp, hemp-derived CBD products, or other hemp-derived cannabinoid products; and

(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling hemp, hemp-derived CBD products, or other hemp-derived cannabinoid products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing hemp, hemp-derived CBD products, and other hemp-derived cannabinoid products.

SEC. 12. BANKING SERVICES FOR HEMP-RELATED LEGITIMATE BUSINESSES AND HEMP-RELATED SERVICE PROVIDERS.

(a) **FINDINGS.**—The Congress finds that—

(1) the Agriculture Improvement Act of 2018 (Public Law 115-334) legalized hemp by removing it from the definition of “marihuana” under the Controlled Substances Act;

(2) despite the legalization of hemp, some hemp businesses (including producers, manufacturers, and retailers) continue to have difficulty gaining access to banking products and services; and

(3) businesses involved in the sale of hemp-derived CBD products are particularly affected, due to confusion about the legal status of such products.

(b) **FEDERAL BANKING REGULATORS’ HEMP BANKING GUIDANCE.**—Not later than the end of the 90-day period beginning on the date of enactment of this Act, the Federal banking regulators shall update their existing guidance, as applicable, regarding the provision of financial services to hemp-related legitimate businesses and hemp-related service providers to address—

(1) compliance with financial institutions’ existing obligations under Federal laws and implementing regulations determined relevant by the Federal banking regulators, including subchapter II of chapter 53 of title 31, United States Code, and its implementing regulation in conformity with this Act and the Department of Agriculture’s rules regulating domestic hemp production (7 C.F.R. 990); and

(2) best practices for financial institutions to follow when providing financial services, including processing payments, to hemp-related legitimate businesses and hemp-related service providers.

(c) DEFINITIONS.—In this section:

(1) FINANCIAL INSTITUTION.—The term “financial institution” —

(A) has the meaning given that term under section 5312(a) of title 31, United States Code; and

(B) includes a bank holding company, as defined under section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)).

(2) HEMP TERMS.—The terms “CBD”, “hemp”, “hemp-related legitimate business”, and “hemp-related service provider” have the meaning given those terms, respectively, under section 11.

SEC. 13. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMINATION REQUESTS AND ORDERS.

(a) TERMINATION REQUESTS OR ORDERS MUST BE VALID.—

(1) IN GENERAL.—An appropriate Federal banking agency may not formally or informally request or order a depository institution to terminate a specific customer account or group of customer accounts or to otherwise restrict or discourage a depository institution from entering into or maintaining a banking relationship with a specific customer or group of customers unless—

(A) the agency has a valid reason for such request or order; and

(B) such reason is not based solely on reputation risk.

(2) TREATMENT OF NATIONAL SECURITY THREATS.—If an appropriate Federal banking agency believes a specific customer or group of customers is, or is acting as a conduit for, an entity which—

(A) poses a threat to national security;

(B) is involved in terrorist financing;

(C) is an agency of the Government of Iran, North Korea, Syria, or any country listed from time to time on the State Sponsors of Terrorism list;

(D) is located in, or is subject to the jurisdiction of, any country specified in subparagraph (C); or

(E) does business with any entity described in subparagraph (C) or (D), unless the appropriate Federal banking agency determines that the customer or group of customers has used due diligence to avoid doing business with any entity described in subparagraph (C) or (D),

such belief shall satisfy the requirement under paragraph (1).

(b) NOTICE REQUIREMENT.—

(1) IN GENERAL.—If an appropriate Federal banking agency formally or informally requests or orders a depository institution to terminate a specific customer account or a group of customer accounts, the agency shall—

(A) provide such request or order to the institution in writing; and

(B) accompany such request or order with a written justification for why such termination is needed, including any specific laws or regulations the agency believes are being violated by the customer or group of customers, if any.

(2) JUSTIFICATION REQUIREMENT.—A justification described under paragraph (1)(B) may not be based solely on the reputation risk to the depository institution.

(c) CUSTOMER NOTICE.—

(1) NOTICE REQUIRED.—Except as provided under paragraph (2) or as otherwise prohibited from being disclosed by law, if an appropriate Federal banking agency orders a depository institution to terminate a specific customer account or a group of customer accounts, the depository institution shall inform the specific customer or group of customers of the justification for the customer's account termination described under subsection (b).

(2) NOTICE PROHIBITED.—

(A) NOTICE PROHIBITED IN CASES OF NATIONAL SECURITY.—If an appropriate Federal banking agency requests or orders a depository institution to terminate a specific customer account or a group of customer accounts based on a belief that the customer or customers pose a threat to national security, or are otherwise described under subsection (a)(2), neither the depository institution nor the appropriate Federal banking agency may inform the customer or customers of the justification for the customer's account termination.

(B) NOTICE PROHIBITED IN OTHER CASES.—If an appropriate Federal banking agency determines that the notice required under paragraph (1) may interfere with an authorized criminal investigation, neither the depository institution nor the appropriate Federal banking agency may inform the specific customer or group of customers of the justification for the customer's account termination.

(d) REPORTING REQUIREMENT.—Each appropriate Federal banking agency shall issue an annual report to the Congress stating—

(1) the aggregate number of specific customer accounts that the agency requested or ordered a depository institution to terminate during the previous year; and

(2) the legal authority on which the agency relied in making such requests and orders and the frequency on which the agency relied on each such authority.

(e) DEFINITIONS.—For purposes of this section:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term “appropriate Federal banking agency” means—

(A) the appropriate Federal banking agency, as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) the National Credit Union Administration, in the case of an insured credit union.

(2) DEPOSITORY INSTITUTION.—The term “depository institution” means—

(A) a depository institution, as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) an insured credit union.

SEC. 14. DEFINITIONS.

In this Act:

(1) BUSINESS OF INSURANCE.—The term “business of insurance” has the meaning given such term in section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5481).

(2) CANNABIS.—The term “cannabis” has the meaning given the term “marihuana” in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(3) CANNABIS PRODUCT.—The term “cannabis product” means any article which contains cannabis, including an article which is a concentrate, an edible, a tincture, a cannabis-infused product, or a topical.

(4) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term “cannabis-related legitimate business” means a manufacturer, producer, or any person or company that—

(A) engages in any activity described in subparagraph (B) pursuant to a law established by a State or a political subdivision of a State, as determined by such State or political subdivision; and

(B) participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

(5) DEPOSITORY INSTITUTION.—The term “depository institution” means—

(A) a depository institution as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) a Federal credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752); or

(C) a State credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(6) FEDERAL BANKING REGULATOR.—The term “Federal banking regulator” means each of the Board of Governors of the Federal Reserve System, the Bureau of Consumer Financial Protection, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Financial Crimes Enforcement Network, the Office of Foreign Asset Control, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Department of the Treasury, or any Federal agency or department that regulates banking or financial services, as determined by the Secretary of the Treasury.

(7) FINANCIAL SERVICE.—The term “financial service” —

(A) means a financial product or service, as defined in section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5481), regardless if the customer receiving the product or service is a consumer or commercial entity;

(B) means a financial product or service, or any combination of products and services, permitted to be provided by—

(i) a national bank or a financial subsidiary pursuant to the authority provided under—

(I) the provision designated “Seventh” of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24); or

(II) section 5136A of the Revised Statutes of the United States (12 U.S.C. 24a); and

(ii) a Federal credit union, pursuant to the authority provided under the Federal Credit Union Act;

(C) includes the business of insurance;

(D) includes, whether performed directly or indirectly, the authorizing, processing, clearing, settling, billing, transferring for deposit, transmitting, delivering, instructing to be delivered, reconciling, collecting, or otherwise effectuating or facilitating of payments or funds, where such payments or funds are made or transferred by any means, including by the use of credit cards, debit cards, other payment cards, or other access devices, accounts, original or substitute checks, or electronic funds transfers;

(E) includes acting as a money transmitting business which directly or indirectly makes use of a depository institution in connection with effectuating or facilitating a payment for a cannabis-related legitimate business or service provider in compliance with section 5330 of title 31, United States Code, and any applicable State law; and

(F) includes acting as an armored car service for processing and depositing with a depository institution or a Federal reserve bank with respect to any monetary instruments (as defined under section 1956(c)(5) of title 18, United States Code.

(8) INDIAN COUNTRY.—The term “Indian country” has the meaning given that term in section 1151 of title 18.

(9) INDIAN TRIBE.—The term “Indian Tribe” has the meaning given that term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

(10) INSURER.—The term “insurer” has the meaning given that term under section 313(r) of title 31, United States Code.

(11) MANUFACTURER.—The term “manufacturer” means a person who manufactures, compounds, converts, processes, prepares, or packages cannabis or cannabis products.

(12) PRODUCER.—The term “producer” means a person who plants, cultivates, harvests, or in any way facilitates the natural growth of cannabis.

(13) SERVICE PROVIDER.—The term “service provider”—

(A) means a business, organization, or other person that—

(i) sells goods or services to a cannabis-related legitimate business; or

(ii) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis; and

(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

(14) STATE.—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 15. DISCRETIONARY SURPLUS FUNDS.

Section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by reducing the dollar figure by \$6,000,000.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. PERLMUTTER) and the gentleman from North Carolina (Mr. MCHENRY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous materials on H.R. 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am proud we are here today to pass this bill about public safety, accountability, and respecting States' rights. Forty-seven States, four U.S. territories, and the District of Columbia have spoken and legalized some form of recreational or medical cannabis, including CBD products. 318 million people live in those 47 States. That is 97.7 percent of the population of America.

However, because cannabis remains illegal under Federal law, the Controlled Substance Act, businesses in these States are forced to deal in cash; and the businesses, their employees, and ancillary businesses can't access the banking system.

The fact is that the people in States and localities across the country are voting to approve some level of cannabis use, and we need these cannabis businesses and employees to have access to checking accounts, payroll accounts, lines of credit, credit cards, and more. This will improve transparency and accountability and help law enforcement root out illegal transactions to prevent tax evasion, money laundering, and other white-collar crime.

Most importantly, this will reduce the risk of violent crime in our communities. These businesses and their employees become targets for crime, robbery, assault, and more by dealing in all cash, and this puts the employees and the store owners at risk.

Over the last year in Oregon alone, a string of more than 100 robberies and burglaries at cannabis businesses culminated in a murder when Michael Arthur, a dispensary employee, was shot to death during a robbery.

Just last week in Colorado, an innocent bystander was shot during an attempted break-in at a medical cannabis business. And in Colorado, we are always reminded of Travis Mason, the young father and Marine Corps vet, who was murdered while working as a security guard for a cannabis business.

We must do better for these employees, their families, and all our communities.

The SAFE Banking Act will create a safe harbor for financial institutions and their employees who choose to do business with a cannabis company. Section 3 of the bill is particularly important to not only cannabis businesses, but everyone who might do business with a cannabis-related company. This section would protect ancillary businesses, like real estate owners, accountants, electricians, and vendors, by clarifying the proceeds from legitimate cannabis businesses are not unlawful under Federal laws. This proceeds section is the key provision allowing all cannabis-related businesses and their service providers and landlords to access the banking system without fear of reprisal.

This bill now has 177 bipartisan cosponsors, and one-third of the Senate is cosponsoring the companion bill from Senators MERKLEY and DAINES.

Last Congress, the SAFE Banking Act passed the House 321–103, with the support of 91 Republicans. The broad base of support for this legislation generated a diverse group of cosponsors and endorsing organizations from banking, credit union, and insurance trade associations to labor unions, cannabis businesses and advocates, and State government leaders.

There are, obviously, many more marijuana issues we need to address working together, including additional research, tax issues, and criminal justice reforms. Passing this bill will show that Congress can work together in a bipartisan way to address outdated marijuana laws. I hope this bill is an icebreaker for the House to take up other reforms and finally remove the conflict between State and Federal laws.

In summary, even if you are opposed to the legalization of cannabis, you should support this bill. American voters have spoken and continue to speak, and the fact is that you can't put the genie back in the bottle. Prohibition is over. The SAFE Banking Act is focused solely on taking cash off the streets and making our communities safer,

and only Congress can take these steps to provide this certainty for businesses, employees, and financial institutions across the country.

Mr. Speaker, I thank Representatives VELÁZQUEZ, STIVERS, DAVIDSON, JOYCE, CORREA, and BLUMENAUER for their partnership on this bill and their commitment to making our communities safer. I also thank Representatives LUETKEMEYER, BARR, and PORTER for their contributions to the text of this bill and their support. Finally, I thank Chairwoman MAXINE WATERS for her support over the years and for continuing to make this a priority.

Mr. Speaker, I urge my colleagues to join me in voting “yes” on the SAFE Banking Act, and I reserve the balance of my time.

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 1996.

I want to begin by commending my colleague from Colorado, Mr. PERLMUTTER, for the way that he has approached this legislation. He is incorporating a lot of ideas from Members all across this Chamber and from across the country. He has doggedly pursued this legislation for many years, and I want to commend him for that.

I also want to thank my colleagues, Mr. STIVERS and Mr. JOYCE of Ohio, for the way they have approached this bill. I think this is a testament to constructive criticism of a bill and it becoming better as a result of it.

Let me say, regardless of your position on this bill, I do think the fact remains that cannabis is a prohibited substance under schedule I of the Controlled Substances Act.

Let me further state that, by enacting this legislation, we are effectively kneecapping law enforcement in legalizing money laundering. These are concerns that I have, that still remain.

By effectively legalizing money laundering, we are inserting a new level of risk in our financial system. We are preventing our legal entities from doing their jobs. We are encouraging bad actors and placing our financial institutions at risk.

Rather than dealing with the issues of cannabis and the question of its Federal legalization, we are dealing with a component of the challenge, which is the banking of it, and it is a challenge. I think we are adding a new risk to our banking system and our anti-money laundering reforms that we passed just in January of this year. That seems counterintuitive to me.

For years, Congress has worked to reform our anti-money laundering laws. Now, in one fell swoop, we are undoing a lot of that hard work and we are going to make it easier for money launderers.

If you want to help the system, if you want to give financial institutions the certainty and security they want and need to do the job with the cannabis industry, where it is legalized in these

States, we should debate the merits of cannabis remaining a schedule I substance, not pass a bill that skirts around the substance of the issue.

This bill we are considering today is one of the biggest changes to U.S. drug policy, yet it was done with little debate this Congress. There has been a lot of debate overall in this Congress, far more than the Senate has even had, on the question of cannabis.

This bill, which is really the first step in legalizing cannabis at the Federal level, was reported out of the Financial Services Committee last Congress, and it is a committee that really has no jurisdiction over the Controlled Substances Act. We only had one hearing featuring one panel of witnesses. We haven't had a hearing this Congress to discuss changes over the last 2 years, let alone a markup to discuss any changes that might strengthen or impact the bill.

For example, late last year, Congress passed a sweeping bipartisan anti-money laundering piece of legislation. These reforms include prohibitions on the concealment of sources of assets in monetary transactions; a prohibition, I will add, that comes with a steep penalty of up to 10 years in prison and up to \$1 million in fines.

If we were doing our due diligence, we would have done a deeper discussion on how these new AML Act changes would impact banks working with cannabis industries as clients instead of me raising this issue at the eleventh hour on the floor, which is what I have got to resort to.

In addition to this concern, I believe I have voiced many other concerns, including our need to better comprehend and address the supervisory and regulatory issues that would result from enactment of H.R. 1596.

Mr. Speaker, I include in the RECORD a letter from Ranking Member LUETKEMEYER of the Subcommittee on Consumer Protection and Financial Institutions and myself as ranking member of the full Committee on Financial Services.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, March 21, 2019.

Hon. MAXINE WATERS,
Chairwoman, Committee on Financial Services,
Washington, DC.

Hon. GREGORY W. MEEKS,
Chairman, Subcommittee on Consumer Protection
and Financial Institutions, Wash-
ington, DC.

DEAR CHAIRWOMAN WATERS AND CHAIRMAN MEEKS: We write today to seek your agreement to delay consideration of H.R. 1595, the SAFE Act, currently scheduled to be marked up on March 26, 2019, until the Committee has a better understanding of the full range of consequences that enacting such legislation may trigger. As you know, marijuana is a schedule I controlled substance as defined in 21 U.S.C. §802. The impact that many state laws, which have legalized marijuana, have on the federal laws governing the manufacturing, use, and sale of marijuana, including proceeds, raise many questions and concerns. Any change to these statutes, or

those that impact them, has the potential to divide the Congress and the country. We must ensure that Congress has done its due diligence, including conducting thorough oversight and review, before moving such legislation.

The hearing at the Committee on Financial Services on February 13, 2019, made clear that we need to better comprehend and address the supervisory and regulatory issues that would result from enactment of H.R. 1595. Many outstanding questions remain, which include but are not limited to the following:

1. What changes to our banking laws are necessary to implement the SAFE Banking Act or other legislation creating a safe harbor for cannabis-related businesses?

2. How would individual agencies enforce Bank Secrecy Act (BSA) requirements following enactment of the SAFE Banking Act? What changes would be required of BSA requirements?

3. How would individual agencies enforce anti-money laundering (AML) regulations following enactment of the SAFE Banking Act? Would AML reforms be necessary?

4. How would individual agencies enforce Know Your Customer (KYC) rules following enactment of the SAFE Banking Act? What changes would be required of KYC rules?

5. How would individual agencies enforce Suspicious Activity Report (SAR) filing requirements and guidelines following passage of the SAFE Banking Act? What changes would be required of SAR filing requirements and guidelines to ensure illicit financial activities were not being financed?

6. How would individual agencies enforce Currency Transaction Report (CTR) filing requirements and guidelines following enactment of the SAFE Banking Act? What changes would be required of CTR filing requirements and guidelines?

7. In what ways are agencies working with state counterparts, including state banking and securities supervisors, under the existing regime? How would those cooperative relationships change with enactment of H.R. 1595?

8. Would H.R. 1595 require conforming changes to any of the statutes, rules, and requirements previously listed to ensure there are no unintended consequences, such as cartels and other bad actors gaining access to our financial system?

9. Would the safe harbor require any changes to the rules or processes governing federal deposit insurance systems?

10. What are the implications of H.R. 1595 on nonbank financial firms, including insurers and investment companies?

11. What are the implications of H.R. 1595 on third parties, including payment processors?

12. What are the implications of H.R. 1595 on individual and institutional investors of cannabis-related businesses?

13. What are the implications of H.R. 1595 on federal, state, and local law enforcement, including the Department of Justice and the Drug Enforcement Agency?

14. How are the proceeds from state licensed growers and distributors taxed under federal law? Relatedly, what conforming changes to our tax code are necessary?

15. What are the implications of H.R. 1595 on other products and services offered by financial institutions, including but not limited to mortgage products, deposit advance products or general commercial lending?

As Members of Congress, and the Committee of primary jurisdiction, we owe it to our constituents and to the public to fully

understand the implications of any legislation before supporting or opposing it. We urge you to hold H.R. 1595 and any related legislation until we have a full understanding of the consequences of this bill.

Sincerely,

PATRICK MCHENRY
Ranking Member.
BLAINE LUETKEMEYER,
Ranking Member.

Mr. MCHENRY. Mr. Speaker, this letter raises a number of concerns, including:

What changes to our banking laws are necessary to implement the SAFE Banking Act, a number of questions that I have;

What agencies are going to be necessary for this working group to actually ensure that the letter of this law is adhered to by the executive branch, that they actually follow it as the writer of the legislation intends;

How the executive branch will interpret the "know your customer" rules enacted in the SAFE Banking Act, compared to what we enacted just 2 months ago, 3 months ago;

How we would deal with suspicious activity reporting requirements under the new guidelines of the SAFE Banking Act, compared to what we enacted at the end of last year;

How we deal with currency transaction reports under this law, compared to what we just passed; and

What are the implications on nonbank financial firms as well, such as insurers and investment companies.

Mr. Speaker, I think the author of the bill intends for insurers and investment companies and banks to have the same qualifications when they are handling money that has touched the cannabis industry. I think that is the intent.

□ 1630

Mr. Speaker, I think we need to understand whether or not the administration would follow that intent that the author has stated clearly in debates here on the House floor last Congress and this Congress and, furthermore, whether or not Federal, State, and local law enforcement will have a similar interpretation that the writer of this bill says is his intent, that Federal law enforcement should hear the voice of Congress and hear this step to legalization which is part of this bill.

I do not think it is the author of the bill's idea to get into sort of the broader conversation about legalization at the State level and what we should do at the Federal level in this bill. However, that is a part of it.

In March of 2019, the National Sheriffs' Association voiced concern with this bill, saying that it could easily be exploited. They echoed my concerns that "allowing banking access for a Schedule 1 drug gives money laundering access to international drug cartels, which are already using the cover of legalization."

Mr. Speaker, I include that letter in the RECORD.

NATIONAL SHERIFFS' ASSOCIATION,
March 19, 2019.

Hon. MAXINE WATERS,
Chairwoman, House of Representatives, Com-
mittee on Financial Services, Washington,
DC.

Hon. PATRICK MCHENRY,
Ranking Member, House of Representatives,
Committee on Financial Services, Wash-
ington, DC.

DEAR CHAIRWOMAN WATERS AND RANKING
MEMBER MCHENRY: On behalf of the National
Sheriffs' Association (NSA) and more than
3,080 sheriffs nationwide, I write to express
our deep concern and opposition to H.R. 1595,
The SAFE Banking Act. This bill creates
protections for depository institutions that
provide financial services to cannabis-re-
lated businesses and service providers for
such businesses.

H.R. 1595 will increase the legalization of
marijuana across the Nation, which we un-
derstand is an intended consequence of this
bill. Furthermore, allowing banking access
for a Schedule 1 drug gives money laundering
access to international drug cartels, which
are already using the cover of legalization.
This will inevitably open the door to other
criminal activity!

NSA is concerned with the welfare and
safety of citizens and works to preserve their
rights to live and work in communities
where drug abuse is not accepted and they
are not subjected to the adverse effects of
drug abuse. The dangers of illegal drugs, in-
cluding marijuana, and the threat to public
safety caused by their use in terms of high-
way safety, criminal activity, and domestic
violence are well-documented.

NSA believes that any legislation regard-
ing national legalization must engage the
nation's law enforcement agencies in order
to have a comprehensive discussion regard-
ing the potential implications this bill could
have on our communities. We urge The
House of Representatives to defeat this dan-
gerous bill.

Sincerely,

JONATHAN F. THOMPSON,
Executive Director and CEO.

Mr. MCHENRY. Furthermore, we see
cannabis-legal States like California,
Washington, and Colorado, as the sub-
ject of recent news reports that cartels
have found that it is easier to grow and
process marijuana in legal States like
Colorado and ship it throughout the
United States than it is to bring it
from Mexico or Cuba. I include that ar-
ticle in the RECORD, Mr. Speaker.

[From Global Power, May 29, 2018]

FOREIGN CARTELS EMBRACE HOME-GROWN MARIJUANA IN POT-LEGAL STATES

(By Dennis Romero, Gabe Gutierrez, Andrew
Blankstein and Robert Powell)

LOS ANGELES.—General Jeff Sessions
called it “one of the largest residential for-
feiture actions in American history.”

In early April, local and federal authorities
descended upon 74 marijuana grow houses in
the Sacramento area they say were under-
written by Chinese organized crime. They
filed court paperwork to seize the properties,
worth millions of dollars.

Federal officials allege that legal re-
creational marijuana states like California,
Colorado and Washington, where enforce-
ment of growing regulations is hit-or-miss,
have been providing cover for transnational
criminal organizations willing to invest big
money to buy or rent property to achieve
even bigger returns.

Chinese, Cuban and Mexican drug rings
have purchased or rented hundreds of homes
and use human trafficking to bring inexperi-

enced growers to the United States to tend
them, federal and local officials say.

The suspects are targeting states that have
already legalized marijuana “in an attempt
to shroud their operations in our legal en-
vironment here and then take the marijuana
outside of the state,” said Mike Hartman,
executive director of the Colorado Depart-
ment of Revenue, which regulates and li-
censes the cannabis industry. Authorities
say they’ve seen an increase in these “home
grows” since the launch of recreational pot
sales in Colorado.

While California and Washington have
mainly seen organized criminals from China
buying homes and converting them into
grow houses, Colorado has largely been grap-
pling with Cuban and Mexican-led cartels,
said Sheriff Bill Elder of the El Paso County
Sheriffs Office in Colorado.

“They have found that it’s easier to grow
and process marijuana in Colorado, ship it
throughout the United States, than it is to
bring it from Mexico or Cuba,” Elder said.

A ‘MASSIVE’ MARIJUANA NETWORK

In El Paso County, NBC News witnessed
firsthand the damage a commercial-scale
cannabis grow can do to a home otherwise
built for an average American family. Grow-
ers pose as legitimate renters, and by the
time authorities disrupt their operation,
homes have been gutted and trashed.

“We’ve fallen through floors,” U.S. Drug
Enforcement Agency Special Agent Randy
Ladd said. “The electrical damage, they
draw so much current that you’ll see, in
some places, the wires are fused inside of the
electrical box. And—a lot of people—they
don’t wanna pay the high electric bills. So
what they do is they take jackhammers and
pickaxes and they cut through the founda-
tion of the house, so that they could steal
the power.”

One of the biggest busts so far came last
June, when the Colorado attorney general’s
office announced that “a massive illegal
interstate marijuana distribution and cul-
tivation network stretching from Colorado
to Texas” had been dismantled. It was alleg-
edly Chinese-connected, Ladd said.

Authorities said the network was respon-
sible for securities fraud, millions of dollars
of laundered cash, 2,600 “illegally cul-
tivated” marijuana plants and 4,000 pounds
of harvested cannabis, according to the Colo-
rado attorney general’s statement.

The operation took place in 18 warehouses
and storage units and 33 homes, mostly in
the Denver area, authorities said. “These
seizures are believed to only scratch the sur-
face,” the office said.

Ladd alleged that some Chinese crews
cover immigrants’ costs of traveling to
America in exchange for work in the grow
houses. “It’s like indentured servitude,” he
said. “It is a form of human trafficking.”

The workers often fly from China to Bel-
gium, and from Belgium to Mexico, before
making asylum claims at the border and
then disappearing by the time they’re sched-
uled to tell their stories in court, Ladd said.
Often when grow houses are raided, immigra-
tion fugitives are discovered, he said.

The grow homes are usually purchased by
shell property management companies, Ladd
said. “These growers can hide in plain
sight,” he said.

HOW FOREIGN CARTELS OPERATE IN THE U.S.

The Sacramento-area raids, which also
struck Calaveras, Placer, San Joaquin, El
Dorado, Yuba and Amador counties, shed
some light on how many of the foreign rings
operate.

Northern California-based DEA Special
Agent Casey Rettig said suspects send cash
to the United States in \$9,999 increments,
just below the mandated reporting threshold,

and receive funds from China that fly under
that nation’s \$50,000 foreign spending limit.
They then purchase homes with the help of
cash lenders instead of traditional mortgage
firms.

Last fall, a scenario fitting that pattern
unfolded in Grays Harbor County, Wash-
ington, southwest of Seattle, as a drug task
force busted an alleged cultivation ring fund-
ed by organized crime in China.

More than 40 suspects were arrested and
\$80 million worth of cannabis was seized, the
Grays Harbor County Sheriff’s Office said.
“The majority of these homes were pur-
chased with cash, and information was devel-
oped that these purchases were conducted by
Chinese nationals involved in organized
crime,” according to a statement from the
Sheriff’s Office.

And just this month, search warrants were
served at 19 locations in the Puget Sound
area of Washington state, a federal official
who did not want her name used said. The
ring was allegedly run by three Chinese na-
tionals who produced thousands of pounds of
cannabis destined for greater New York, the
U.S. attorney’s office in Seattle alleges.

The suspects, who face drug conspiracy
charges, purchased homes with the help of
multiple wire transfers from China that in-
cluded dollar figures—\$2,000 to \$5,900—they
believed would fly under the radar, according
to a federal complaint.

Ultimately it was the houses’ exorbitant
electricity use—up to 38,477 kilowatt hours
in one day versus the American average of
just 30—that made them targets of a federal
investigation, according to the filing.

Even a single grow house can contain a
large marijuana operation. In April, police in
Pomona, California, an exurb in Los Angeles
County, announced they discovered a 23-
room grow house allegedly run by Chinese
nationals. Fifty-five-hundred marijuana
products, including 2,900 plants and nearly 21
pounds of cannabis, were seized, police said.

“The grow operation used advanced sys-
tems of lighting, air conditioning, fans, ex-
haust blowers and air-filtering systems to
control the climate inside the buildings and
the odor of marijuana,” according to a Po-
mona police statement.

Pomona police spokeswoman Aly Mejia
said a gun and \$6,900 in cash were also found.

The DEA’s Rettig, speaking from her base
in San Francisco, said the Chinese opera-
tions are “illegal under state law.” In Cali-
fornia, marijuana growers, producers and re-
tailers need state and local licenses. Cities
can opt out and ban such businesses alto-
gether.

Rettig said even with the Golden State’s
sky-high housing market—the median price
of a home is \$535,100, according listings site
Zillow—overseas criminals know that “mari-
juana can fetch three times as much out of
state.”

“There’s a great profit motive in it,” the
DEA’s Ladd said. “In Colorado, marijuana le-
galization has magnified the black market.
The standard price per pound here is \$2,000,
but they can get \$3,500 to \$4,500 by shipping
it back East. The profits are great there.”

Mr. MCHENRY. Furthermore, be-
cause of this patchwork at the State
level, I think you are seeing additional
concerns at the southern border right
now, and I will include for the RECORD
a letter that the former Border Patrol
chief submitted that in February alone
there was nearly \$14 million a day of
marijuana caught at the southern bor-
der.

Despite these many issues I still have
with the SAFE Banking Act, I do ap-
preciate the work that my colleagues

have put into this legislative effort, but considering that the larger issue of cannabis legalization has not yet been debated here on the House floor, I think it is premature for the Financial Services Committee to do the full work of this Congress on the question of cannabis legalization at the Federal level. I think that would be better left to the Judiciary Committee, with a wider debate here on the House floor, and I would encourage that wider debate.

Notwithstanding that, I would like to thank my colleagues for the hard work that they have put into this legislation. Even if I have concerns, I know that there is more than sufficient support to pass this under the suspension calendar, and that would not happen were it not for the good legislative work of my colleague and friend from Colorado (Mr. PERLMUTTER).

I do believe that my colleague was quite intentional about the date that he wanted to actually have the vote here on the House floor. With that, for those of you who don't know, tomorrow is 4/20/21, 4/20 being the operative date.

Mr. Speaker, I reserve the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I thank the gentleman from North Carolina for his many compliments. I would just remind him, we are the Financial Services Committee. We have a certain amount of jurisdiction that deals with financial institutions and financial services, and that is what this bill is focused on, dealing with so much cash generated by this industry, whether we do anything or not, and to try to advance public safety in the process.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), the chair of the Small Business Committee, who had a lot to do with writing the Small Business piece of this.

Ms. VELÁZQUEZ. Mr. Speaker, I am a proud original cosponsor of H.R. 1996, the SAFE Banking Act, and I rise in strong support.

I would also like to take this opportunity to recognize the gentleman from Colorado (Mr. PERLMUTTER) for his extraordinary leadership on this legislation.

When the pandemic first hit and stay-at-home orders went into place, many small cannabis businesses were deemed essential. Yet, just as States recognized these businesses as critical, Federal law still fails to provide them the same access to key financial services, like banking and insurance.

H.R. 1996, the SAFE Banking Act, will address this problem, enabling them to grow and hire more workers. Failing to allow cannabis businesses to utilize financial products and services not only creates artificial barriers for these small businesses, it is also an issue of public safety, as these high-volume cash businesses are frequently the target of robberies and break-ins.

That is why the SAFE Banking Act is so important and why, as chair of the House Small Business Committee

and senior member of the Financial Services Committee, I am proud to stand by it since its first introduction.

I thank Mr. PERLMUTTER for his leadership. Let's pass this legislation once and for all.

Mr. McHENRY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. STIVERS), the subcommittee chair on Housing, Community Development, and Insurance.

Mr. STIVERS. Mr. Speaker, I want to thank Congressman PERLMUTTER for his hard work on this. I am an unlikely person to support this bill because I am opposed to recreational marijuana, but I came to this because a company that is just outside my district that sells nutrients now finds themselves in the situation where 25 percent of their profits come from selling to legal marijuana businesses, and they are being threatened, a Fortune 500 company, with losing their bank accounts.

We can't let that happen. We have got to make sure that we stand up for safety and stand up for common sense. That is what this bill does.

Three points about this bill. Number one, it encourages safety because money that is in a bank account can be frozen and can be tracked.

By the way, this bill also increases suspicious activity reports, so this idea about money laundering doesn't work because there are suspicious activity reports that are expanded under the bill, and you can freeze and track the money, which is really important. That is why a lot of folks in law enforcement like this bill.

The final thing is, this bill includes provisions to stop Operation Choke Point that Republicans couldn't even get passed when we had the presidency, the Senate, and the House, and we got that negotiated into this bill. It helps in a big way to make sure that there's not an Operation Choke Point in the future, so nobody can choke off legal businesses from their bank accounts and from access to the payments system. That is a big deal. I want to thank Congressman PERLMUTTER for allowing that.

Finally, before my time is up, I want to acknowledge Congressman WARREN DAVIDSON, who isn't going to be able to fly in in time for this. Congressman DAVIDSON has been working on this bill with me for almost 2 years with Congressman PERLMUTTER. WARREN DAVIDSON has done an amazing job. I just want to acknowledge his hard work, all his efforts. We wouldn't be here today but for Congressman WARREN DAVIDSON.

I urge my colleagues to support H.R. 1996.

Mr. PERLMUTTER. Mr. Speaker, I would also like to thank Mr. STIVERS for working with me so much over the last few years on this. I am going to miss him as he chooses to take another path in the near future. I just want to say on the floor, that he is a real credit to this institution.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CORREA).

Mr. CORREA. Mr. Speaker, the SAFE Banking Act can be summarized in three basic points. First of all, this measure does not legalize anything at the State level. Today, 47 States, four U.S. territories, and D.C., representing 98 percent of the U.S. population, have legalized cannabis in one form or another.

Second, this is essentially a States' rights issue. This measure essentially says that when a State legalizes cannabis, the Federal Government will respect that decision when it comes to banking.

Finally, this measure is essentially about helping our local police officers back home do their job safely and effectively. We already give our local police officers the impossible job of taking care of the homeless and the mentally ill, and now we are asking our police officers to protect the legalized cannabis industry, a cash business, from those criminals that would prey upon them. This just doesn't make sense.

Today, because of Federal law, the cannabis industry can only operate on a cash basis. They pay their Federal, State, and local taxes with cash. Let me repeat. Today, the cannabis industry pays their Federal taxes with cash. They pay their employees with cash. They pay their rent with cash, and they pay their bills with cash. This is no way to keep our streets safe.

Let's help our local police officers keep our communities safe. Let's get the cash out of the cannabis industry, and let's pass H.R. 1996.

Mr. McHENRY. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BARR), the ranking member of the Subcommittee on Oversight and Investigations of the House Financial Services Committee.

Mr. BARR. Mr. Speaker, I rise in support of the SAFE Banking Act.

Kentuckians have a deep interest in the production, cultivation, and sale of nonintoxicating industrial hemp and hemp-derived products, including CBD. In fact, Kentucky boasts a proud heritage and agricultural tradition in industrial hemp. Henry Clay, the great Speaker of the House who once represented the district that I now represent, was, in fact, an industrial hemp farmer.

More recently, the Commonwealth has seen a revival in the industrial hemp industry, resulting in much growth and job creation in this area. Much of the growth of the industry occurred as a result of the Industrial Hemp Research Pilot Program established under the 2014 farm bill and the 2018 farm bill, which took it a step further and fully legalized industrial hemp.

Despite these positive steps forward, hemp businesses still have trouble accessing certain financial services. Just today I spoke with a CBD retailer in my district who confirmed that while the situation has improved somewhat over the last few years, access to card

processing services is uneven and uncertain. This bill will provide additional clarity for banks, insurance companies, and card processors that they can, in fact, do business with legally operating hemp businesses. It would also direct our Federal financial regulators to update best practices for serving hemp and CBD businesses.

Since we last debated this bill, conditions have improved for hemp financing. In December 2019, financial regulators jointly issued guidance confirming that banks are free to provide banking services to the hemp industry, just as they are for any other agricultural commodity. Unfortunately, there is still work to do to ensure that these legal hemp businesses have full access to the financial system. There remains some ambiguity, specifically regarding payment processors' dealings with hemp businesses. This bill makes needed clarifications.

I want to thank the gentleman from Colorado (Mr. PERLMUTTER) for working across the aisle on this bill. He and his team took great care to ensure that these changes were incorporated into the bill and made the needed clarifications. I thank him for his cooperation. This will have a meaningful impact on Kentucky farmers, small businesses, and a burgeoning industry in Kentucky and across the country.

I urge my colleagues to support this bill.

Mr. PERLMUTTER. Mr. Speaker, I thank the gentleman from Kentucky for his work on this bill and his input on the card processing piece of the legislation.

I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER). He has put the effort together across a whole range of cannabis issues. I thank him for his steadfast work on this subject.

□ 1645

Mr. BLUMENAUER. Mr. Speaker, it is an honor to be here with my friend, Mr. PERLMUTTER, and the bipartisan support that we are receiving from Mr. STIVERS. We are going to hear in a moment from the distinguished gentleman from Ohio (Mr. JOYCE), who has been a champion.

Sadly, I feel my good friend from North Carolina could have given his speech 25 years ago. The legalization train has left the station. This is a business in the United States that is approaching \$20 billion of revenue this year.

As has been pointed out, 97 percent of the American public has access to some form of legal cannabis. Medical cannabis, 4 million patients utilize it.

Mr. Speaker, this is an issue that has arrived, and it is being held captive of the past practice by pretending that the Federal Government can wish away the legalization of this subject. They can't. The flawed Federal policies create serious problems.

As Mr. PERLMUTTER pointed out, we have had over 100 robberies in my community, including a fatality. These

cash-only enterprises are sitting ducks for people who have nefarious aims. It is an invitation for money laundering now because of the vast amount of cash that is circulated.

It impacts so many legitimate businesses, real estate, insurance, attorneys, accountants, who get caught up. We already heard reference to what happened to Mr. STIVERS' constituent in Ohio, a business that provides gardening supplies, that risks losing their bank account.

It is time for us to address this inconsistency. It is time for us to pass, again, the SAFE Banking Act. And it is time for us to move forward with legalization on the Federal level with the MORE Act, which will resolve these inconsistencies.

Once and for all, give the American people what they want and what they repeatedly vote for across the country. Unleash this State legal business to realize its full potential for health, the economy, and a cry for racial justice.

I appreciate us being at this point for a critical first step along the torturous path to full legalization, which I am confident will happen this Congress and not a moment too soon.

Mr. Speaker, I rise today to acknowledge the tragic passing of Steve Fox, a pioneering advocate, strategist, a true leader in the marijuana cannabis legalization effort.

It is fitting today that we are passing the SAFE Banking Act. We wouldn't be where we are today without Steve and his amazing efforts. His life work, leadership, and strategic brilliance are unmatched.

Passing this critical legislation today would be a small part of a fitting memorial for a man whose efforts made it possible, indeed, imperative to solve this problem.

I first met Steve as we were strategizing on the Oregon legalization effort. Back in 2013, after the Colorado legalization campaign that he orchestrated had passed and before Oregon joined the ranks of legalization, he was already a legend. He pioneered so much of the groundwork for the legalization movement that exploded after the success of the Colorado campaign which owed so much to his strategic brilliance.

Steve was thoughtful, hardworking, and self-effacing. While this has become a national movement with many leaders now emerging, none compare with Steve. Few will fully understand his many contributions and importance. I for one will miss his genuine, quiet leadership.

As someone who's been working on this longer than anyone in American politics, I know we are all deeply, deeply indebted to Steve. We mourn his loss, extend our thoughts to his family and many friends.

This should be the year that we finish the pioneering work of his career. It would be a fitting capstone to a lifetime of cannabis leadership, activism, and progress.

Mr. MCHENRY. Mr. Speaker, I would say that if we are going to have legalization of cannabis, let's have legalization of cannabis and do it in regular order in the House of Representatives, not have it come through the Financial Services Committee. I wanted to be clear, and I wanted to make sure my colleague heard that.

But I do commend my colleague, Mr. PERLMUTTER, for taking every bit of the jurisdiction that we currently have and using it smartly for the best outcome possible.

I yield 2 minutes to the gentleman from Ohio (Mr. JOYCE), my colleague and good friend.

Mr. JOYCE of Ohio. Mr. Speaker, I rise in favor of H.R. 1996, the SAFE Banking Act of 2021, and I am proud to help lead this commonsense, overdue effort.

The vast majority of States, including my own, have enacted laws that, to varying degrees, permit their residents to use cannabis. However, the Federal Government has not only infringed on the inherent right of these States to implement those laws, but also stifled medical research, diverted law enforcement resources needed elsewhere, and hindered legitimate businesses, businesses that provide vital services to cancer patients, veterans, and those seeking opioid alternatives for pain management.

Because of the Federal interference in this arena, cannabis companies are not afforded the same access to financial services as every other legal business in our country.

With banks refusing to accept their money out of fear of Federal repercussions, these businesses are forced to operate in all cash. They pay their workers in cash, store cash in vaults on-site, and hire armored cars and trucks to transport cash to pay taxes.

As a former prosecutor, I can tell my colleagues that this is a serious public safety issue.

But it is not just cannabis companies that are paying the price for this antiquated policy. Small businesses that provide services to State-legal cannabis companies can also be targeted by the Federal Government, such as plumbers, electricians, and even soil and fertilizer businesses.

Regardless of where you stand on the legality of cannabis, I think we can all agree that it shouldn't be that hard to sell a bag of dirt.

At a time when small businesses are just beginning to recover from the economic destruction caused by COVID-19, the Federal Government should be supporting them, not standing in their way. Congress must provide financial certainty to these businesses and safety to their employees.

Many of my colleagues have shied away from this issue because they are under the impression that it doesn't impact their constituents. But as I have outlined here today, it most certainly does.

The American people across the majority of States, both red and blue, have voted to enact sensible cannabis reforms. I encourage all of my colleagues to respect the will of their constituents and the rights of their States and begin engaging in these reforms.

It is past time we address the antiquated cannabis policies and remove unnecessary red tape. I strongly urge

my colleagues on both sides of the aisle to vote in favor of the SAFE Banking Act so we can take a step in that direction.

The Federal Government can no longer afford to fail on an issue that our States have taken the lead on.

Mr. MCHENRY. Mr. Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from North Carolina has 5 minutes remaining.

Mr. MCHENRY. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. GAETZ).

Mr. GAETZ. Mr. Speaker, I thank the ranking member of the Financial Services Committee for yielding.

I rise in support of the SAFE Banking Act, which I am honored to introduce with my colleagues, Mr. JOYCE, Mr. PERLMUTTER, Mr. BLUMENAUER, and others.

It seems the war on drugs is a lot like so many of the other forever wars that this Congress confronts, deeply unpopular in all parts of the country except Washington, D.C.

I commend the majority party for bringing this bill to the floor and allowing businesses that serve particularly medical marijuana patients the opportunity to access the U.S. financial system.

There is an important part of this legislation that bears note. With the SAFE Banking Act, we will have an unprecedented opportunity for research and collaboration, which did not exist previously and which doesn't exist now.

There are so many universities, medical centers, other research institutions that would like to partner with and work alongside marijuana businesses with the opportunity to improve health outcomes for patients and to bring relief to people who badly need it.

I would implore my colleagues in the majority party to reach out to President Biden as I did to President Trump. Ask him to take executive action to remove marijuana from the list of schedule I drugs so that we can accelerate marijuana reform for the benefit of our fellow Americans and those who are in need and in pain and are counting on it.

Mr. PERLMUTTER. Mr. Speaker, I include in the RECORD these endorsements for the SAFE Banking Act, including from the American Bankers Association, the American Council of Independent Laboratories, the American Council of Life Insurers, the American Financial Services Association, the American Land Title Association, the American Property Casualty Insurance Association, the American Trade Association for Cannabis and Hemp, the Arizona Dispensaries Association, the California Cannabis Industry Association, and the National Armored Car Association. It goes on forever. I am not going to list all of these. There are about 50 different endorsements.

H.R. 1996, THE SAFE BANKING ACT OF 2021— ENDORSEMENTS

American Bankers Association; American Council of Independent Laboratories; American Council of Life Insurers; American Financial Services Association; American Land Title Association; American Property Casualty Insurance Association; American Trade Association for Cannabis and Hemp; Arizona Dispensaries Association; California Cannabis Industry Association; California and Nevada Credit Union Leagues; Cannabis Business Association of Illinois; Colorado Bankers Association; Colorado Municipal League; Credit Union National Association; Council of Insurance Agents & Brokers; Electronic Transactions Association; Independent Community Bankers of America; Independent Insurance Agents & Brokers of America; Law Enforcement Action Partnership; Mountain West Credit Union Association; National Armored Car Association; National Association of Mutual Insurance Companies; National Association of Professional Insurance Agents; National Association of Realtors.

National Cannabis Roundtable; National Cannabis Industry Association; National Medicinal Cannabis Coalition; National Organization for the Reform of Marijuana Laws; Minority Cannabis Business Association; Policy Center for Public Health & Safety; Reinsurance Association of America; Rural County Representatives of California; The Real Estate Roundtable; United Food and Commercial Workers; U.S. Cannabis Council; U.S. Hemp Roundtable; Wholesale & Specialty Insurance Association; TerraAscend USA; NUG, Inc.; Cresco Labs; 4Front Ventures; Terrapin Care Station; Full Spectrum Omega, Inc.; National Association of State Treasurers; Four Attorneys General from Colorado, the District of Columbia, North Dakota, and Ohio; 21 Governors from California, Colorado, Connecticut, Illinois, Louisiana, Maine, Massachusetts, Michigan, Nevada, Nevada, New Jersey, New Mexico, New York, Oregon, Pennsylvania, U.S. Virgin Islands, Utah, Virginia, Washington, West Virginia, and Wisconsin; 51 state and territory banking associations.

Mr. MCHENRY. Mr. Speaker, I yield myself such time as I may consume.

I want to repeat this from my earlier remarks. This bill represents one of the biggest changes to U.S. drug policy. If we want banks to provide services risk-free, then we should do it thoughtfully and address the legality of cannabis instead of this workaround. This bill represents a yeoman's task of a legal framework so that funds from cannabis in those legalized States can be legally banked.

But that is not a holistic approach to this issue, nor should it be the Financial Services Committee leading the debate, which we have had one hearing on in the last 3 years in this committee—actually, you could say probably one hearing in the last decade on the Financial Services Committee. Yet, we have this bill, which, frankly, on its face is a very well-balanced bill to fix a glaring problem that is happening across the country.

This bill will legalize the banking of a federally illegal product. I am sure the irony of this is not at all lost on the American public.

The drug cartels, frankly, are keen to this, and other bad actors are keen to this. They will attempt to take advan-

tage of this if it is not well-implemented, if it is not thoughtfully implemented, especially if those things are not the case.

No matter how we spin what is happening right now, we currently have a crisis at the southern border, and human trafficking is certainly a part of that; a desire to come to the United States is certainly a part of that; and the movement of illegal drugs into the United States is certainly a part of that. This doesn't help with that crisis at the southern border.

Again, we are the House Financial Services Committee. We are not the Homeland Security Committee, and we are not the Appropriations Committee, so we can't fix all things within our jurisdiction.

Let me close with this. I do not support this bill because it represents a workaround to a much bigger debate that we need to have in the United States, and that is whether or not cannabis should remain a schedule I substance under the Controlled Substances Act. This fact is the bigger issue that I think this Congress should wrestle with, and I would welcome it. In fact, I think we can have a much more nuanced debate here.

But I do want to close by thanking my colleagues for creating a very thoughtful product. This legislative text is much improved upon from where it was originally. I thank my colleague, Mr. PERLMUTTER, for leading that conversation and leading that set of negotiations.

It has taken years to produce this product. It is strong legislative text. It is a strong legal framework. Even though I have pointed out a number of its deficiencies and challenges, I do see on its face how this would resolve a huge problem in a large number of States.

I understand that, and I am inviting the larger discussion about cannabis, as well. I think we need to have that conversation.

But I do thank my colleague, Mr. PERLMUTTER, for his leadership there, and I thank my colleagues, Mr. STIVERS, Mr. DAVIDSON, and Mr. JOYCE, on our side of the aisle for engaging in that, as well as Mr. LUETKEMEYER and Mr. BARR who dealt with particular issues in their States and their jurisdictions, as well.

Mr. Speaker, I urge my colleagues to vote "no," but I understand if they do vote "yes." I yield back the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I thank the gentleman from North Carolina. To his point that there is a broader discussion that has to take place, the purpose of this bill is a public safety purpose. Its purpose is to keep people from being killed, from being robbed, and from being assaulted. That is within the Financial Services Committee arena because, at this point, the cannabis industry and the people who serve it in one way or another have to deal in cash, which really creates the

potential for the robberies, for the murders, and for the assaults.

We have been able to gather a lot of support for this. I mentioned the bankers, the credit unions, the insurance industry, the cannabis industry, obviously, the real estate industry, the armored cars, and the minority cannabis industry. Law enforcement is supportive of this. We have the National Treasurers Association, 21 Governors, and attorneys general because they know this is a public safety matter and that we really need to address it.

We have been working on it for some time, as the gentleman from North Carolina mentioned, but we need to get this to the Senate. They need to take whatever action they want to take, but we have to make our communities and these businesses safer.

The SAFE Banking Act is about public safety. Our bill is narrowly tailored to get cash off the streets and improve public safety.

I thank my lead cosponsors on this bill, Representatives VELÁZQUEZ, STIVERS, and DAVIDSON, and all of my colleagues who have listened to me talk about the need to address this problem for the last 8 years.

□ 1700

I also thank the staff of the Committee on Financial Services, the staff from my lead cosponsors, and my own staff, who put so much time into this bill.

Mr. Speaker, I urge all of my colleagues to vote “yes” on the SAFE Banking Act, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. PERLMUTTER) that the House suspend the rules and pass the bill, H.R. 1996, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROSENDALE. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

ELIMINATE BARRIERS TO INNOVATION ACT OF 2021

Mr. PERLMUTTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1602) to direct the Commodity Futures Trading Commission and the Securities and Exchange Commission to jointly establish a digital asset working group, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Eliminate Barriers to Innovation Act of 2021”.

SEC. 2. WORKING GROUP TO SUPPORT INNOVATION WITH RESPECT TO DIGITAL ASSETS.

(a) ESTABLISHMENT.—Not later than 90 days after the date of the enactment of this section, the Securities and Exchange Commission and the Commodity Futures Trading Commission shall jointly establish a working group (to be known as the “SEC and CFTC Working Group on Digital Assets”) to carry out the report required under subsection (c)(1).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Working Group shall be composed of members appointed in accordance with paragraph (2).

(2) APPOINTMENT OF MEMBERS.—

(A) REPRESENTATIVES OF COMMISSIONS.—The Securities and Exchange Commission and the Commodity Futures Trading Commission shall each appoint an equal number of employees of each such Commission to serve as members of the Working Group.

(B) REPRESENTATIVES OF NONGOVERNMENTAL STAKEHOLDERS.—

(i) APPOINTMENT.—The Securities and Exchange Commission and the Commodity Futures Trading Commission shall each appoint an equal number of nongovernmental representatives to serve as members of the Working Group, except that such number of members may not be greater than or equal to the number of members appointed under subparagraph (A).

(ii) REQUIRED MEMBERS.—The members of the Working Group appointed under clause (i) shall include at least one representative from each of the following:

(I) Financial technology companies that provide products or services involving digital assets.

(II) Financial firms under the jurisdiction of the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(III) Institutions or organizations engaged in academic research or advocacy relating to digital asset use.

(IV) Small businesses engaged in financial technology.

(V) Investor protection organizations.

(VI) Institutions and organizations that support investment in historically underserved businesses.

(C) NO COMPENSATION FOR MEMBERS OF THE WORKING GROUP.—

(i) FEDERAL EMPLOYEE MEMBERS.—All members of the Working Group appointed under subparagraph (A) shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(ii) NON-FEDERAL MEMBERS.—All members of the Working Group appointed under subparagraph (B) shall serve without compensation.

(c) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this section, the Working Group shall submit to the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the relevant committees a report that contains—

(A) an analysis of—

(i) the legal and regulatory framework and related developments in the United States relating to digital assets, including—

(I) the impact that lack of clarity in such framework has on primary and secondary markets in digital assets; and

(II) how the domestic legal and regulatory regimes relating to digital assets impact the competitive position of the United States; and

(ii) developments in other countries related to digital assets and identification of how these developments impact the competitive position of the United States; and

(B) recommendations—

(i) for the creation, maintenance, and improvement of primary and secondary markets in digital assets, including for improving the fairness, orderliness, integrity, efficiency, transparency, availability, and efficacy of such markets;

(ii) for standards concerning custody, private key management, cybersecurity, and business continuity relating to digital asset intermediaries; and

(iii) for best practices to—

(I) reduce fraud and manipulation of digital assets in cash, leveraged, and derivatives markets;

(II) improve investor protections for participants in such markets; and

(III) assist in compliance with anti-money laundering and countering the financing of terrorism obligations under the Bank Secrecy Act.

(2) REPORT LIMITED TO SEC AND CFTC AUTHORITIES.—The analysis and recommendations provided under subparagraphs (A) and (B) of paragraph (1) may only relate to the laws, regulations, and related matters that are under the primary jurisdiction of the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(d) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Working Group.

(e) TERMINATION.—

(1) IN GENERAL.—The Working Group shall terminate on the date that is 1 year after the date of the enactment of this section, except that the Chairman of the Securities and Exchange Commission and the Chairman of the Commodity Futures Trading Commission may, jointly, extend the Working Group for a longer period, not to exceed one year.

(2) SECOND REPORT IN THE CASE OF EXTENSION.—In the case of an extension of the Working Group under paragraph (1), the Working Group shall, not later than the last day of such extension, submit to the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the relevant committees a report that contains an update to the analysis and recommendations required under subparagraphs (A) and (B) of subsection (c)(1).

(f) DEFINITIONS.—In this section:

(1) BANK SECRECY ACT.—The term “Bank Secrecy Act” means—

(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(B) chapter 2 of title I of Public Law 91-508 (12 U.S.C. 1951 et seq.); and

(C) subchapter II of chapter 53 of title 31, United States Code.

(2) HISTORICALLY-UNDERSERVED BUSINESSES.—The term “historically-underserved businesses” means women-owned businesses, minority-owned businesses, and rural businesses.

(3) RELEVANT COMMITTEES.—The term “relevant committees” means—

(A) the Committee on Financial Services of the House of Representatives;

(B) the Committee on Banking, Housing, and Urban Affairs of the Senate;

(C) the Committee on Agriculture of the House of Representatives; and

(D) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(4) WORKING GROUP.—The term “Working Group” means the working group established under subsection (a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. PERLMUTTER) and the gentleman from North Carolina (Mr.